



NEWS RELEASE

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Internet Telephony Services Providers' Association

The Voice of Advanced Communications

<h3>ITSPA voices fears for UK mobile market</h3>
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15th January 2016 – ITSPA, the voice of the next generation communications industry in the UK has expressed major concern around the future health of the UK mobile market, following the Competition and Markets Authority's (CMA) publication of its final report approving the merger between BT and Everything Everywhere today. Eli Katz, the Chair of ITSPA stated "The competitiveness of the UK mobile sector is a genuine concern for our industry, and threatens to harm consumers and inhibit UK growth. ITSPA already had serious competition concerns around the market and we had hoped the CMA would have considered potential wholesale mobile remedies in its final report, when approving the proposed BT/EE merger. Particularly, given the panel had expressed differing opinions in its provisional report around the merger's effect on the wholesale mobile access market."

ITSPA members believe that despite claims by the mobile operators, there is a highly restrictive wholesale market which hampers the ability for new entrants to compete in the market. They highlight current market trends that suggest access for mobile virtual network operators ("MVNOs") to mobile operators' networks is reducing and therefore restricting their ability to compete. The CMA panel was split in its provisional findings report as to whether the BT/EE transaction would lead to a significant lessening of competition in the market for wholesale mobile access. The final report, which looked into four ways the merger could damage wholesale mobile access decided that there would not be any substantial lessening of competition.

Eli Katz added "ITSPA members take differing opinions on the BT/EE merger but it must be taken into context with the wider market consolidation currently taking place, particularly the proposed tie up with O2 and Three. This would be extremely damaging because, as Sharon White pointed out last year, there is already substantial evidence in other European markets to suggest that prices rise when the number of mobile operators in a national network decreases from four to three operators. The wholesale mobile access market in the UK must be reviewed and effective remedies agreed, before any merger between O2 and Three can be considered and we would urge the EU Commission to consider these recommendations in its current inquiry. A fully functional wholesale mobile access market would encourage innovation, competition and result in improved outcomes for UK consumers. Indeed, the UK's mobile market could become as competitive and innovative as it is currently for fixed telephony."

ITSPA has voiced concerns around the mobile market during its discussions on the two industry mergers to both the CMA and the European Commission who have been reviewing these respective cases and will continue to engage with all parties to ensure the UK mobile space remains open to vibrant, new entrants who can offer alternative services.

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Note to editors:

About ITSPA (www.itspa.org.uk)

ITSPA is the UK's trade association for VoIP and next generation communication services providers. Founded in 2004, we represent the views of over 90 members ranging from the largest Tier one operators to the new entrants in the telecommunications sector. Aside from Internet telephony, our members offer video, instant messaging and other "over the top" services to millions of customers in both the business and residential communication markets.

About VoIP

Internet Telephony is the ability to make voice calls over any Internet Protocol (IP) connection, particularly broadband, using Voice over Internet Protocol (VoIP). IP Communications also enable a rich multi-media set of advanced services, including Video, High Definition Sound, Instant Messaging and Presence. Internet Telephony Service Providers can provide regular and enhanced phone line services – often at substantial cost reductions.